



**Cooper Medical School
of Rowan University**

AFFILIATION AGREEMENT

BY AND BETWEEN

**ROWAN UNIVERSITY &
COOPER HEALTH SYSTEM**

**PERTAINING TO THE ESTABLISHMENT
AND ADMINISTRATION OF THE
COOPER MEDICAL SCHOOL OF ROWAN UNIVERSITY**

September 21, 2010

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AFFILIATION AGREEMENT

September 21, 2010

AFFILIATION AGREEMENT

This Affiliation Agreement (sometimes referred to as “this Agreement”) is effective as of the 21st day of September, 2010, between The Cooper Health System, a New Jersey nonprofit corporation, which among other responsibilities, operates an academic teaching hospital, Cooper University Hospital (“Cooper”), with a principal address at One Cooper Plaza, Camden, New Jersey 08103 and Rowan University, a public institution of higher education, with a principal address at 201 Mullica Hill Road, Glassboro, New Jersey 08028 (“Rowan”) (individually a “Party” and collectively, the “Parties”).

INTRODUCTORY STATEMENT

On June 25, 2009 Governor Jon Corzine executed an Executive Branch government Reorganization Plan, known as Executive Order No. 002-2009, which Plan established a new four year allopathic medical school in southern New Jersey and a plan for the transfer of certain specified functions, powers and duties of the University of Medicine & Dentistry of New Jersey (UMDNJ) in the City of Camden to Rowan University. The Governor’s Plan is intended to further the public interest by supporting the goal of providing more medical students and doctors located within the southern portion of the State of New Jersey, thus helping address the pending lack of physicians caused by a higher than average aging of the physician workforce in New Jersey and retirement rate by current New Jersey physicians.

The Reorganization Plan transferred to the Board of Trustees of Rowan any and all authority previously held by UMDNJ to develop, conduct and administer academic affairs for a four year allopathic medical school in the City of Camden, including but not limited to the awarding of degrees.

Further, the Reorganization Plan contemplates the establishment of a “working relationship” with medical providers, specifically including an affiliation with Cooper. The Plan acknowledges that a Development Agreement exists by and between UMDNJ, Cooper and the Camden Redevelopment Authority, which Development Agreement pertains to the acquisition by UMDNJ of a certain parcel of real property located in the City of Camden (Lot 190 on the Tax Map of the City) and the construction thereon of a medical school building. Along with other assets, the Reorganization Plan calls for the transfer by UMDNJ to Rowan of UMDNJ’s rights under the Development Agreement.

To implement the Reorganization Plan pertaining to the transfer of the medical school assets related to operations in the City of Camden, UMDNJ and Rowan executed on November 10, 2009 an Assignment and Assumption Agreement, according to which Agreement all of UMDNJ’s assets were in fact transferred to Rowan.

Accordingly, as of the date of the Assignment and Assumption Agreement, Rowan is now in a position to implement both the academic and physical property aspects of the Reorganization Plan, one component of which is the negotiation and implementation of an affiliation agreement with Cooper.

The purpose of this agreement is to memorialize the affiliation between Rowan and Cooper, as envisioned by the Reorganization Plan, which affiliation is central to the development and administration of the Cooper Medical School of Rowan University.

PREAMBLE

WHEREAS, Governor Jon Corzine executed a certain Reorganization Plan known as Executive Order 002-2009 according to which the rights and obligation of The University of Medicine & Dentistry of New Jersey (UMDNJ) to conduct and administer undergraduate medical education in the City of Camden, New Jersey, together with relevant assets of UMDNJ, were transferred to Rowan University, a public institution of higher education of the State of New Jersey; and

WHEREAS, Cooper is a nonprofit organization operating under the laws of the State of New Jersey, with a principal business location in the City of Camden, New Jersey, and has been principally responsible for clinical education of third and fourth year medical students of The University of Medicine & Dentistry of New Jersey UMDNJ through the Robert Wood Johnson Medical School, Camden for more than 30 years; and

WHEREAS, the said Reorganization Plan provides establishment by Rowan in affiliation with Cooper of a four-year allopathic medical school in the City of Camden; and

WHEREAS, Both Rowan and Cooper explicitly recognize medical education as a key mission of each institution;

WHEREAS, a four-year allopathic medical school requires clinical training of medical students as a major component of undergraduate medical education; and

WHEREAS, approximately 400 of Cooper's employed physicians currently teach medical students in clinical programs and have faculty appointments with UMDNJ; and

WHEREAS, Cooper is a tertiary care hospital, one of the three Level I Trauma Centers in New Jersey, the only designated Children's Regional Hospital in South Jersey, and the Medical Command Center for South Jersey in the event of a disaster or pandemic; and therefore is an ideal site for the teaching of clinical programs for undergraduate medical students; and

WHEREAS, Cooper not only provides undergraduate medical students clinical experiences, but also has approximately 280 residents and fellows in accredited Graduate Medical Education teaching programs; and

WHEREAS, Rowan and Cooper have a strong mutual interest working together to develop a four-year allopathic medical school (the "Medical School"), and they share a goal of educating and training physicians of the highest quality and engaging in collaborative research opportunities, consistent with the mission of both institutions for the benefit of the citizens of the southern New Jersey area; and

WHEREAS, Rowan and Cooper each bring unique capabilities to an affiliation by developing a program that neither could bring on its own;

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, and other good and valuable consideration, and intending to be legally bound, the Parties agree as follows:

ARTICLE 1

Purposes of Affiliation

1.1 Intent: This Affiliation Agreement is intended to establish the principal elements of the relationship between Rowan and Cooper for providing resources to support a program of classroom, laboratory and clinical education that meets the highest academic standards of the Liaison Committee on

Medical Education (“LCME”) in an environment that is conducive to the undergraduate medical training of future physicians (e.g., medical students); and also to establish and maintain an effective environment for research scientists and other health professionals; and to implement and administer quality continuing education programs for those engaged in providing health care services. To that end the Parties, in accordance with the provisions of this Agreement shall:

- (1) Develop, administer and support a quality educational program for undergraduate medical students enrolled at the Cooper Medical School of Rowan University.
- (2) Develop and implement appropriate governance structures and provide the administrative support necessary for the successful guidance and operation of the medical education program.
- (3) Seek appropriate funding and other financial support for the operation and continued viability of the medical school education program.
- (4) Promote the acquisition of new knowledge through basic and clinical research and other activities for the benefit of mankind, and to provide an environment conducive to the development, assessment and application of the latest advances in biomedical science and technology.
- (5) Serve the community through the training of new physicians and through the delivery of high-quality, cost-effective health care services, including programs of health promotion and disease prevention, all such services to be provided with regard for the individual patient, families and the community.

1.2 Implementation of Reorganization Plan No. 002-2009. On June 25, 2009, Governor Jon Corzine issued Reorganization Plan No. 002-2009, which Plan established a new four-year allopathic medical school in southern New Jersey, and the transfer of certain specified functions, powers, assets and duties of the University of Medicine and Dentistry of New Jersey in the City of Camden to Rowan University. The Plan contemplates that Rowan will enter into affiliation agreements with health care providers so as to “operate a four-year allopathic medical school in an expedited manner.” A principal purpose of the within Affiliation Agreement is to implement the directives of the Plan, a copy of which is attached to but not incorporated in this Agreement.

1.3 Diversity. The Parties acknowledge that aspiring future physicians will be best prepared for medical practice in a diverse society if such students learn in an environment characterized by, and supportive of, diversity and inclusion. The recruitment and development of the Medical School’s faculty and staff should take into account its mission, the diversity of the student body, and the population that it serves. Policies and Procedures shall be for review and approval by the Dean, reviewed by the President and CEO of Cooper and the President of Rowan then presented to the Board of Trustees of Rowan by the President of Rowan for formal adoption.

ARTICLE 2

Basic Elements of Affiliation Between Cooper and Rowan

2.1 Collaboration. Cooper and Rowan, recognizing that medical education is a key mission of each institution, agree to work in a spirit of collaboration and cooperation to establish, maintain and continually improve a new four (4) year allopathic medical school in Camden, New Jersey, which will be part of Rowan (the “Medical School”).

2.2 Name of Medical School. The name of the Medical School shall be “Cooper Medical School of Rowan University.” The name of the Medical School shall not be hereafter changed for so long as this Affiliation Agreement remains in effect without the express written consent by way of resolution adopted

by the Board of Trustees of Cooper and the Board of Trustees of Rowan.

2.3 Autonomy. Under this Affiliation Agreement, both Cooper and Rowan shall continue to be autonomous and governed independently by their respective governing bodies and administrations, consistent with applicable law, rule and regulation.

2.4 Separate Entities. The Parties to this Agreement shall not be deemed partners, nor shall the relationship between them be considered a joint venture by virtue of the terms of this Agreement. It is expressly understood that Rowan is not constituted as an agent of Cooper and Cooper is not constituted as an agent of Rowan. Neither Party shall have the power or authority to bind the other Party or contract in the name of the other Party. As between it and Cooper, Rowan's responsibilities rest in the area of education and research in which it participates only, as specifically set forth in this Affiliation Agreement not with regard to other health care and research responsibilities of Cooper. Rowan does not assume any other obligations or liabilities with respect to other activities of Cooper, unless specified in the Agreement. Cooper's responsibilities with regard to this affiliation are likewise specified in the Agreement and Cooper does not assume any other obligations or liabilities with respect thereto or with respect to the other activities of Rowan, except as specified in the Agreements.

2.5 Independent Contractors. It is the intention of the parties that, in carrying out their obligations under this Agreement, Cooper and Rowan shall at all times be acting as and be deemed to be independent contractors. Except as otherwise specifically set forth in this Agreement, each Party shall be solely responsible for the hiring, discipline, supervision, salary, benefits, and statutory coverages required for its own employees.

2.6 Responsibility for Obligations of the Other. Except as specifically set forth otherwise in this Agreement, neither Party shall be responsible for the debts or other obligations of the other.

2.7 Accreditation. The Parties agree to work together and expeditiously to achieve accreditation through the Liaison Committee on Medical Education (LCME); and to that end have established joint committees to examine and recommend action on issues related to curriculum, finances, facilities, affiliations, etc. Following review and acceptance by the Dean, the application documents will be submitted to the LCME by Rowan.

2.8 LCME Standards. The parties acknowledge that this Agreement makes reference to LCME Standards; and that the Standards may be changed, modified or deleted, or new Standards may be adopted from time-to-time. The Parties agree that this Agreement shall be construed in a manner that is consistent with LCME Standards as they may exist at a relevant point in time, except as the law may provide otherwise.

ARTICLE 3

Governance of the Cooper Medical School of Rowan University

3.1 Board of Trustees of Rowan University. The Board of Trustees of Rowan University, by statute, is the governing body of Rowan University and thus the Medical School. As such, it shall have the authority and responsibility to endorse the educational program designed by the faculty and presented by the Dean of the Medical School. The Board of Trustees also shall have the authority and responsibility to make administrative, faculty and staff appointments, upon the nomination of the President of the University after following the procedures set forth in this Agreement; approve the Medical School budget and shall have the authority and responsibility to approve contracts and policy initiatives consistent within its statutory authority. The Board of Trustees may approve policies and procedures for the administration of the Medical School as it shall deem appropriate or necessary, consistent with applicable law, rule and

regulation and the Agreement; and shall upon the recommendation of the Dean and President of Rowan approve the submission of documents intended to achieve accreditation through the LCME.

Notwithstanding any provision to the contrary in Section 3.9 or elsewhere, except as request by statute law, individuals selected by the Board of Trustees of Rowan University to any position set forth in the within Agreement shall not be limited to those who shall have been nominated by the President of Rowan.

3.2 Conflicts of Interest. The Board of Trustees of Rowan, in carrying out its responsibilities for the oversight of the Medical School, shall be composed of persons who shall comply with all applicable New Jersey statutes, rules and regulations governing ethics and conflicts of interest, and has adopted policies and procedures to implement same. Similarly, the Board of Trustees has adopted policies and procedures designed to mitigate the possibility of conflicts of interest in institutional decision-making at all levels within its jurisdiction, including the Medical School. Such policies are designed to avoid the impact of financial, educational and other conflicts of interest and shall apply to each person involved in institutional governance as set forth in this Affiliation Agreement, including administrators and faculty in their various roles.

3.3 President of Rowan University. The President of the University shall be appointed by the Board of Trustees of the University, and he or she shall have the authority and responsibility to administer the programs of the University, including the programs of the Medical School, subject to the limitations set forth in the Agreement as there may be limitations established by law. With respect to the Medical School, he or she shall meet regularly with the President and CEO of the Hospital and the Dean of the Medical School together on matters of concern to both the Medical School and the Hospital. The Dean of the Medical School shall report directly to the President of the University.

3.4 Rowan Representation on the Board of Trustees of Cooper. The Board of Trustees of Cooper recognizes that in furtherance of the Agreement Rowan shall be represented in the corporate organization of Cooper. In order to satisfy this requirement, the President of Rowan shall be an *ex-officio* member of the Board of Trustees of Cooper with voice and vote. In addition, the Dean of the Medical School, beginning with the Founding Dean, shall be an *ex officio* member of the Cooper Board of Trustees, with voice and vote.

3.5 President and Chief Executive Officer of Cooper University Hospital. The President and CEO of Cooper University Hospital shall be appointed by the Board of Trustees of Cooper in accordance with the Bylaws of the Hospital. With respect to the Medical School, he or she shall meet regularly with the President of the University and the Dean of the Medical School on matters of concern to both the Medical School and the Hospital.

3.6 Dean of the Cooper Medical School of Rowan University. The Dean of the Medical School (the principal academic and administrative officer of the Medical School), reporting directly to the President of Rowan, is the principal manager of the School, with broad responsibility to provide leadership in medical education and has the ultimate authority to assure the quality of the educational program, financial and other support of medical education, and scholarly activity. He or she shall annually prepare a budget for submission to the Medical School Board, as set forth in paragraph 3.9 hereof, and shall have primary authority to administer the budget as approved by the Board of Trustees of Rowan.

Notwithstanding the responsibilities of others in the faculty and administration of the Medical School, the Dean shall be ultimately responsible to assure educational program quality.

He or she shall recommend the hiring of basic science faculty members and shall participate in the manner specified herein with respect to the hiring of clinical faculty; supervise the faculty and Medical

School administrative staff; facilitate the development of the Medical School educational curriculum in collaboration with the faculty; exercise managerial supervision over the implementation of the educational and faculty research programs; prepare and submit for approval by the President and Board of Trustees of Rowan and then administer the Medical School capital and operational budgets; supervise the advertising/marketing/recruitment campaigns; provide stewardship over the assets of the Medical School and provide such other functions and undertake such responsibilities normally associated with a medical school dean, as well as those functions and responsibilities set forth in the Agreement. With respect to clinical faculty employed by Cooper who provides educational services to the Medical School, the Dean shall consult with the Chief Medical Officer of Cooper in the making of clinical faculty assignments and shall review and undertake evaluations of the clinical faculty member's academic performance related to undergraduate medical education. In order to carry out the foregoing, the Dean may have a paid administrative position at Cooper related to Academic Affairs. He or she shall have ready access to the President of Rowan and the President and CEO of Cooper and to other officers of Rowan and Cooper as is necessary to fulfill his or her on-going and/or emergent responsibilities.

Each Dean of the Medical School shall be recruited through a search process conducted by Rowan according to policies and procedures in effect at Rowan. The search committees shall have equal representation by Rowan and Cooper and appointments of a Dean shall be made by the Board of Trustees of Rowan upon the nomination of the President of Rowan, based on his or her academic judgment, giving due regard to the recommendations of the search committee and after consultation with the President and CEO of Cooper. The CEO of Cooper shall recommend to the President of Rowan appointees to represent Cooper on the search committee, which recommendations shall not be unreasonably rejected. The Dean shall be directly responsible for all aspects of the academic and business affairs of the Medical School and shall have supervisory authority over the chairs and faculty with respect to academic and Medical School related matters. He or she will maintain all Medical School faculty files, including all recommendations regarding faculty actions, teaching, research and other professional responsibilities related to undergraduate medical education; shall evaluate and make recommendations regarding space and equipment needs of the Medical School; and shall supervise any and all interdisciplinary academic endeavors between discreet medical disciplines and/or between discreet medical disciplines and non-medical but related disciplines at Rowan or other institutions. The Dean shall be employed by Rowan and serve as an *ex officio* member of the Cooper Board of Trustees. The Dean shall receive an initial appointment of no more than five (5) years, and he or she may be reappointed for terms of up to five (5) years without limitation.

The Dean shall be a voting member of the Medical School Board. With respect to any report or recommendation made by the Medical School Board, the Dean shall have the right, but not the obligation to make a separate report or recommendation or comment on a report or recommendation, which separate report or recommendation shall accompany the report or recommendation made by the Board.

3.7 Associate/Assistant Deans and Administrative Staff of the Medical School. Rowan shall employ such other associate or assistant deans and members of the administrative staff (including but not limited to chief financial officer of the Medical School) as shall be deemed necessary and appropriate, following recommendation by the Dean. Position descriptions shall be developed initially by the Dean and approved by the President of Rowan after consultation with the President and CEO of Cooper. In the event the hiring of any of the individuals will be undertaken through a search process, such search committees shall have representation by Rowan and Cooper, and all appointments shall be made by the Rowan Board of Trustees upon the nomination of the Dean and President of Rowan, based on academic judgment with due regard to the recommendation of any search committee and after consultation with the President and CEO of Cooper. The term of office for associate/assistant deans and members of the administrative staff shall be for no more than three years, unless another term is required by a collective negotiations agreement applicable to the employee), but each employee may be reappointed without limitation.

3.8 Utilization of Staff. Rowan shall be responsible for the administrative, technical, security, support, maintenance, custodial, grounds and/or clerical staff of the Medical School. Such assignments shall be made in writing to the employee by the President of Rowan, and shall be part-time or full-time and for such duration as Rowan deems appropriate. The employees so assigned shall at all times be considered employees of Rowan, and shall be subject to Rowan's normal evaluation process, except that the Dean shall provide a recommendation as to the quality of the employee's performance. The Medical School shall include in its annual operating budget the cost of such employees of Rowan.

In the event Rowan believes that Cooper may be better able to provide staff particularly qualified to provide service in one or more of these areas, Rowan may request Cooper to lease such person or persons to Rowan. Such requests shall be made in writing by the President of Rowan (upon the advice of the Dean) to the President and CEO of Cooper. In the event Cooper can accommodate that request, the parties will negotiate in good faith to specify the terms of the lease, including the compensation to be paid to Cooper. The Medical School shall include in its annual operating budget the projected cost of any such arrangement.

3.9 Medical School Board. The Rowan Board of Trustees will create a Medical School Board which will serve as the general oversight body of the Medical School, and which shall report to and act at all times subject to the reserved powers of the Rowan Board of Trustees.

The Medical School Board shall consist of up to twenty five (25) members, ten (10) of whom shall be selected from candidates nominated by the President and CEO of Cooper, in consultation with the Dean, and selected by the Board of Trustees of Cooper and ten (10) of whom shall be selected from candidates nominated by the President of Rowan, in consultation with the Dean, and selected by the Board of Trustees of Rowan (see however Section 3.1). There shall be four members who are leaders in health care and medical education selected by the Boards of Trustees upon the recommendation of the Dean and Presidents. There shall be no fewer than two faculty members employed by Cooper and two faculty members employed by Rowan on the Medical School Board.

The term of office for each member of the Medical School Board shall be three years (the normal appointment), except that approximately one-third of the *initial* Board shall be appointed for one year; approximately one-third for two years and approximately one-third for three years. All reappointments shall be for three years. No member shall serve more than two three-year terms.

The Medical School Board shall meet at least quarterly in accordance with a schedule set forth annually by the Medical School Board, which schedule shall set forth the location of the meetings. It may invite such other persons (including but not limited to members of the Faculty) to meetings to provide information and advice.

The Medical School Board shall be responsible for: reviewing and commenting upon the annual budget for The Medical School prepared by the Dean, submitting its comments to the Rowan Board of Trustees, through the Dean and President of Rowan, for approval of the Rowan Board of Trustees; monitoring the operations of The Medical School; reviewing and commenting on strategic and business plans with the Dean and members of the Medical School; monitoring the execution of the educational curriculum and adherence to applicable regulatory standards; reviewing and commenting upon policies for the organization, administration and development of the Medical School for approval, where appropriate or required, by the Rowan Board of Trustees and; performing such other functions as may be delegated to it from time to time by the Rowan Board of Trustees.

3.10 Basic Science Department Chair[s]. Basic Science Department Chair[s], upon the nomination of the Dean, and upon the recommendation of the President of Rowan to the Board of Trustees of Rowan, shall be appointed to the Chair position by the Board of Trustees of Rowan. The Basic Science Department Chair[s] shall report directly to the Dean.

3.10(A) Recruitment of Basic Science Department Chair[s]. A Basic Science Department Chair shall be recruited through a search process conducted by Rowan according to policies and procedures in effect at Rowan, which process provides that a search committee make a recommendation to the Dean and President of Rowan, and that the President of Rowan, upon the advice of the Dean, make a nomination for appointment to the Board of Trustees of Rowan, which nomination may or may not follow the recommendation of the search committee, but shall give due regard to the search committee's recommendations.

3.10(B) Search Committees for Department Chair[s] of Basic Science Department[s]. A search committee for a Basic Science Department Chair shall be appointed by the Dean, and shall have representation from both Cooper and Rowan. The recommended term of appointed chair shall be five (5) years.

3.10 (C) Evaluation of Performance of Basic Science Department Chair[s]. Review of performance of Basic Science Department Chair[s] shall be performed prior to consideration for renewal of the appointment by a committee appointed by the Dean having representation from both Cooper and Rowan, with the intention that the review will be conducted sufficiently far in advance of the renewal date so that the individual being reviewed has at least one (1) year prior notice that he or she will not be reappointed for an additional term of up to five (5) years. A Basic Science Department Chair may be reappointed without limitation, upon the advice of the Dean to the President of Rowan, followed by reappointment action by the Board of Trustees of Rowan, upon the affirmative recommendation of the President of Rowan.

3.11 Chiefs of Service as Clinical Department Chairs. Initially, the Chiefs of Service at Cooper shall also serve as the Clinical Department Chairs of parallel disciplines at the Medical School subject to the review and approval of the Dean. Such persons holding dual initial appointment as Chief of Service/Department Chair shall continue to be employees of Cooper. Thereafter any vacancy in a Chief of Service/Clinical Department Chair position occurs (either through termination, retirement, resignation or otherwise), the Parties shall jointly search for a replacement, and upon the affirmative recommendation of the Dean and CEO of Cooper and nomination by the President of Rowan, the Board of Trustees of Rowan shall appoint a successor Clinical Department Chair and it is expected that Cooper shall appoint the same person as Chief of Service. Persons holding dual appointment shall be considered employees of Cooper, provided however, that Rowan and Cooper will negotiate each Party's contribution to the salary and benefits of the person so selected. In the unlikely event that there is no dual appointment, the Presidents of the Parties, convened by the recommendation of the Dean, shall meet to determine the employment relationship of a person designated as Clinical Department Chair by Rowan.

3.11(A) Recruitment for Clinical Department Chair/Chiefs of Service. A search committee for a Clinical Department Chair/Chief of Service shall have representation by Rowan and Cooper. The Dean, after having received the advice of the Chief Medical Officer of Cooper, or his or her designee, shall appoint the members and chairs of search committees. The term of each appointment as Clinical Department Chair shall be recommended for nomination to the President of Rowan and then to the Board of Trustees by the Dean, after having received the advice of the Chief Medical Officer of Cooper, except that if the Dean and the Chief Medical Officer of Cooper shall not agree on a term, the recommended term shall be five years, provided that it is the intent of the parties that the term of the Clinical Department Chair shall be coterminous with the term of the Chair's employment with Cooper as Chief of Service. Appointment of Chiefs of Service shall be made by Cooper in accordance with its established policies and procedures.

3.11(B) Evaluation of Performance of Clinical Department Chair. Review of performance of the Clinical Department Chair shall be performed prior to consideration for renewal of the appointment by a committee having representation from Rowan and Cooper and the members of which are appointed by the Dean of the Medical School and upon consultation with the Chief Medical Officer of Cooper or his or her

designee, with the intention that the review will be conducted sufficiently far in advance of the renewal date so that the individual being reviewed has at least one (1) year prior notice that he or she will not be reappointed for an additional term. A Clinical Department Chair may be reappointed without limitation, upon the advice of the Dean with consultation from the Chief Medical Officer to the President of Rowan followed by reappointment action by the Board of Trustees of Rowan, upon the affirmative recommendation of the President of Rowan and concurrence of the Cooper Board of Trustees. The Department Chair shall report directly to the Dean with respect to all of his or her responsibilities related to service as Department Chair. The Chief of Service shall have a dual reporting relationship, to the Dean with respect to academic matters and to the Chief Medical Officer of Cooper with regard to matters related to clinical service. The Dean and Chief Medical Officer shall collaborate with regard to the overall evaluation, and make joint recommendations for appropriate personnel action.

3.12 Faculty. The design, implementation, delivery, evaluation and management of the educational program, as well as the selection of students, shall be the responsibility of and under the control of the Medical School faculty. The faculty, in turn, shall be responsible to the Dean for their role in the educational program. The manner by which the faculty's role in the administration shall be set forth in the Faculty Handbook.

ARTICLE 4

Faculty

4.0 Faculty. The Board of Trustees of Rowan shall be responsible for the appointment of all Medical School Faculty upon the nomination of the President of Rowan following the recommendation of the Dean.

4.1 Basic Science Faculty. The basic science faculty of the Medical School shall be employed and paid by Rowan. The Board of Trustees of Rowan shall act upon the nomination of the President of Rowan to appoint the basic science faculty upon the recommendation of the Dean. All appointments and reappointments shall be in writing and signed by the President of Rowan and the Dean.

If required by State law, the members of the basic science faculty and professional staff hired and employed by Rowan shall have collective negotiations representation, and terms and conditions of employment shall be the subject of collective negotiations. Any policies and procedures set forth in this Affiliation Agreement or adopted by the Board of Trustees of Rowan shall be deemed modified by any collective negotiations agreement entered into by the State of New Jersey or Rowan, as the case may be, for such employees within the negotiations unit. Nothing herein shall be deemed to require Cooper to have any role in any determination of negotiations unit status, negotiation or performance of any collective negotiations agreement. Cooper shall not be deemed a party to any such collective negotiations agreement, and shall retain all rights and remedies that it has as a non-party in the event of a strike or other job action that might effect the operations of Cooper.

4.2 Contract Terms for Members of the Basic Science Faculty. Initial appointments of full-time members of the basic science faculty shall be made by the Trustees of Rowan, upon the affirmative recommendation of the Dean and nomination by the President of Rowan, for one, two or three years. Reappointments for one, two or three years may be made without limitation. Appointments and reappointments to the part-time basic science faculty shall be for one year only.

4.3 Tenure. Tenure for the Basic Science faculty shall be a matter of concern for Rowan only, and Cooper shall have no responsibility or obligation in connection with tenure determination for Basic Science faculty. Tenure may be awarded by the Board of Trustees of Rowan to full-time members of the basic science faculty after completion by the faculty member of five consecutive years of full-time excellent service to the Medical School, upon the nomination of the President of Rowan upon the

recommendation of the Dean. If permitted by law, in very unusual and exceptional situations, documented by the President of Rowan and the Dean, a member of the basic science faculty of Rowan may be awarded tenure upon his or her initial hire.

4.4 Clinical Faculty. All Clinical Faculty and Clinical Department Chiefs of Service shall be employed and paid by Cooper, provided however that such faculty and Department Chiefs with Medical School faculty responsibilities shall be approved and appointed to the Medical School faculty by the Rowan Board of Trustees upon the nomination of the President of Rowan, upon the recommendation of the Dean. Cooper physicians with faculty responsibilities at Robert Wood Johnson Medical School (“RWJMS”) shall serve as the initial clinical faculty of the Medical School, and shall be appointed by the Board of Trustees of Rowan upon the nomination of the President of Rowan, upon the recommendation of the Dean, and shall be appointed at the same level then held at RWJMS.

Thereafter, when Cooper hires additional physicians, it shall notify Rowan whether it seeks to have a faculty appointment for any such hire, and if so, that physician’s appointment shall be considered through the process described below, and approval of the physician for a faculty appointment shall not be unreasonably withheld. Appointments to the Clinical Faculty shall be made by the Board of Trustees of Rowan upon the nomination of the President of Rowan, upon the recommendation of the Dean, and after receiving the advice of the President and CEO of Cooper. Such appointments shall be in accordance with Rowan’s policies and procedures then in effect for simultaneous appointment to the faculty of the Medical School in accordance with the standards generally prescribed by the Medical School and with the recommendation of the Dean; and such appointments shall be for a one, two or three year terms and reappointments for one, two or three year terms shall be without limitation. All appointments to the Cooper Medical Staff shall be made by Cooper in accordance with its regular procedures. Any change in Medical Staff status not requiring change in faculty rank shall be in accordance with the regular procedure of the Cooper Medical Staff. Loss of Cooper Medical Staff appointment shall result in loss of appointment to the Medical School faculty.

All appointments and reappointments to the Clinical Faculty made by the Rowan Board of Trustees shall be in writing and signed by the President of Rowan, the President and CEO of Cooper and the Dean.

Notwithstanding the foregoing, physicians who have privileges at Cooper, but are not employed by Cooper, shall be eligible for voluntary faculty appointments and physicians with privileges at affiliate hospitals designated in accordance with Article 14 shall be eligible for faculty appointment. All clinical faculty shall be subject to the policies and procedures of the Medical School applicable to the education of medical students.

4.5 Cooper Employees as Members of Basic Science Faculty. Nothing in this Agreement shall preclude the appointment by Rowan of existing or future qualified Cooper employees to the basic science faculty of the Medical School; however, unless agreed to otherwise by the Parties and effected employees, said employees shall remain employees of Cooper on loan to Rowan, with compensation and benefits paid by Cooper subject to reimbursement by Rowan.

4.6 Faculty Assembly. The basic science and clinical faculty shall meet from time to time (often enough for all faculty members to participate in the discussion and establishment of medical school policies and practices) as a Faculty Assembly to advise the Dean on matters related to teaching, research and other academic issues and to review the objectives of the educational program. Such advice shall be made to the Dean in writing, with copies sent to the President of Rowan and the President and CEO of Cooper. The basic science faculty and the clinical faculty shall work together in a cooperative effort to maintain the highest standards of educational methodology and practice.

4.7 Basic Responsibilities of Basic Science/Clinical Departments. Each Basic Science and Clinical Department within the Medical School, reporting to the Dean through the Department Chair, shall be responsible for developing an academic plan for research and teaching subject to oversight by the Dean. Collaboration with Rowan undergraduate and graduate programs will be encouraged.

ARTICLE 5

Facilities and Site of Clinical and Basic Science Education

5.1 Site of Clinical and Basic Science Education. Cooper University Hospital in Camden will be the principal site of clinical education of the Medical School's students. Rowan shall provide the site for basic science education and research for the Medical School. Rowan and Cooper shall provide reasonable access to the other Party's facilities as reasonably necessary to effectuate the activities contemplated by this Agreement. The Parties shall use reasonable efforts to agree on appropriate signage (including the design and placement thereof) which identify, where applicable, respective areas of Cooper and Rowan to employees, patients, staff, students and the general public. Each Party shall make its facilities reasonably available to the Medical School students and the employees of the other Party, including residents, fellows and faculty physicians, to the extent those employees' professional activities include research, administrative, supervisory and teaching services relating to medical education, and related clinical care, in accordance with the provisions and intent of this Agreement and in such a manner and to such an extent as shall be reasonably appropriate for each Party to conduct its teaching, clinical, and research programs.

5.2 Medical Education Building. Rowan shall be responsible to plan, design and construct a Medical Education Building to accommodate the instructional needs of a four-year allopathic medical education program, including but not limited to classrooms, laboratories, offices, administration and student space. Rowan agrees, however, that Cooper shall be actively involved in each stage of the planning, design and construction of the Medical Education Building, including participation in all meetings with professionals, so as to integrate the facilities to be constructed with the facilities available at Cooper for undergraduate medical education. Rowan will be responsible for the costs of planning, design and supervision of construction, as well as the debt service or lease payments required on an annual basis. Rowan agrees to make any and all written plans and designs, as well as the debt service or lease documents available to Cooper prior to execution by Rowan for comment by Cooper.

With respect to the new Medical Education Building, Rowan recognizes that the preliminary location and design has been accomplished and Rowan accepts the location and preliminary design. As stated above, the final design and construction plans will be undertaken by Rowan, with full collaboration with Cooper and the Dean. Subject to scheduling and the availability of facilities, the clinical faculty employed by Cooper shall have the right to use the Medical Education Building at reasonable times for teaching, research and other purposes related to clinical teaching duties.

ARTICLE 6

Costs and Funding

6.1 Sufficient Funding. Rowan and Cooper agree that there is sufficient funding to support a four year allopathic Medical School in Camden and carry out the Reorganization Plan 002-2009, including necessary facilities, temporary and permanent, basic science and clinical faculty, administration and support personnel and operating and maintenance costs. Reorganization Plan 002-2009 specifies the anticipated funding to be appropriated for the medical school and affiliate hospital grant purposes during each fiscal year. The Medical School has access to and control of allocated resources to deliver its educational programming leading to the MD degree and to support its mission.

6.2 Additional Support. The parties agree to work with resolve to obtain additional support for the Medical School and its operations including donations, research grants, federal funding, and state appropriations as required.

6.3 Fiscal Matters. Rowan shall be responsible for all fiscal matters and costs of the medical school, including financing and construction of the new medical school building, the cost of the Dean and other administrative personnel, the cost of the basic science teaching program and faculty, the cost of clinical teaching program and faculty (as specified in paragraph 6.8 below), and all the operating costs of the new Medical School.

6.4 Tuition and Fees. Tuition and fees paid by students enrolled in the undergraduate medical education program of the Medical School shall be paid to Rowan and shall not be subject to any claim from Cooper. Anticipated tuition and fees shall be included in the operating budget of the Medical School for presentation to the Board of Trustees of Rowan for approval.

6.5 Cooper Support. Cooper agrees to provide financial support without restriction as to its use for the operating budget of the Medical School in its formative years in the following amounts, including amounts expended directly by Cooper in support of the Medical School:

FY 2011 - \$4 million
FY 2012 - \$6 million
FY 2013 - \$6 million
FY 2014 - \$2 million

Cooper's obligation under this paragraph is subject, in each fiscal year, to receipt of the funding specified in paragraph 6.7.

6.6 Rowan Support. Rowan, through its Board of Trustees, has set aside the sum of \$20M in a separate account to be used as necessary for the ongoing operational expenses of the Medical School. The determination to draw from the separate account shall be considered as each annual budget is established in accordance with the process set forth in this Article. In the event of an unanticipated financial situation during a fiscal year, the cost of which exceeds available funds, the Dean will discuss with the President of Rowan the nature of the unanticipated financial situation and the dollar amount necessary for the satisfaction of the situation, and if he or she agrees with the Dean, the President will direct that a sufficient amount of money be drawn from the separate account to satisfy the situation.

6.7 Affiliate Hospital Grant. Rowan, in fiscal year 2011, and each year thereafter, in which Rowan receives an annual State appropriation that specifically include grant funds for Affiliate Hospital Support, shall provide funds to Cooper University Hospital in the amount specified in the New Jersey State Appropriations Act.

6.8. Payments for Clinical Teaching. The Parties shall agree on the amount to be paid to Cooper for services to be provided by Cooper for each State fiscal year. The Parties shall meet and review the costs of Cooper's services for the next fiscal year as soon as reasonably possible prior to submission of the next fiscal year budget by the Rowan Board of Trustees to the State Treasurer. If the Parties are unable to agree for the next fiscal year prior to submission of the budget, the CEO of Cooper and the President of Rowan shall meet in good faith to resolve the amount due Cooper for fiscal year 2013 and each year thereafter. The Parties agree that Cooper's payment shall be calculated as follows:

- (1) Program administrative compensation for the Chairs of the Clinical Departments for their roles in the Medical School, Clerkship Directors, Course Directors and Deputy Clerkship Directors reimbursed at total salary levels, which shall be defined to include salary, including fringe benefits, actually paid or to be paid on

an annual basis, using current AAMC median data, plus the related portion of all employer payroll contributions, multiplied by an agreed upon percentage of time required by each above-named officer to administer the undergraduate medical school academic program. For the purpose of salary reimbursement, any salary augmentations that result from third-party sponsored programs shall not be considered.

- (2) Program teaching compensation for Medical School clinical teaching faculty at Cooper, including Chairs of the Clinical Departments, approved faculty and/or others participating in actual teaching of undergraduate medical students under the direction and supervision of the Dean, reimbursed at total salary levels, which shall be defined to include salary and fringe benefits, actually paid or to be paid on an annual basis at rates equal to the then current AAMC median data, plus the related portion of all employer paid contributions, multiplied by an agreed upon percentage of time required by each above-named employee of Cooper to teach in the clinical education program. For the purpose of salary reimbursement, any salary augmentation that results from third-party sponsored programs shall not be considered. Clinical teaching subject to reimbursement shall include time associated with clinical teaching of undergraduate medical students, classroom teaching of such students, participation in Medical School/Rowan committees, continuing education conducted by the Medical School, preparation and other responsibilities assigned by the Dean.
- (3) There will be no reimbursement for Faculty and administrative overhead, including but not limited to malpractice insurance expense.
- (4) An allocation of the costs of operating the medical library at Cooper based on percent of usage for undergraduate medical students.
- (5) An allocation of the costs of operating the Simulation Lab that is based at Cooper based on percent of usage for undergraduate medical students.
- (6) An allocation for any additional identifiable costs or support and the value of all other services, undertakings and benefits performed by Cooper or its employees in furtherance of this Affiliation Agreement that are approved by the Dean of the Medical School.

Affiliate Support owed to Cooper shall be paid to Cooper on a monthly basis and within thirty days of receipt by Rowan from Cooper of a certified statement of applicable costs.

Any allocations described above that require negotiations between Rowan and Cooper shall in the first instance be undertaken by and between the Dean of the Medical School of Rowan and the Chief Medical Officer of Cooper, or their designees. In the event the Dean and Chief Medical Officer are unable to come to an agreement with regard to a particular allocation or allocations, the President of Rowan and the President and CEO of Cooper shall meet to attempt to resolve any unresolved issues. In the event the Presidents are unable to come to an agreement, the issues shall be resolved in accordance with the provisions of Section 15.2 of this Agreement.

In fiscal year 2013-14 and each fiscal year thereafter, the amount due Cooper under this paragraph 6.8, for support of the clinical teaching program and related matters, shall be reduced by the actual amount of the grant funds received by Cooper as set forth in paragraph 6.7. The parties also agree that no payments shall be due to Cooper in fiscal year 2010-11, 2011-12, and 2012-13 for clinical teaching, curriculum

development or medical school administrative activities unless specifically agreed to by the Dean, the President of Rowan and the President and CEO of Cooper.

6.9 Budget. Consistent with the budgeting process, on a State fiscal year basis, Rowan and the Medical School shall provide to Cooper the operating and capital budgets and associated work papers attributable to the Medical School as soon as reasonably possible prior to approval of the budgets by the Rowan Board of Trustees for Cooper's review and recommendation.

6.10 Reconciliation. As soon as reasonably possible after the end of each State fiscal year, during the term of this Agreement, the Medical School shall provide to Cooper reconciliation and associated work papers of the budgeted annual funding to the actual annual funding.

6.11 Deficit. Should the Medical School accounts show a deficit at the conclusion of any fiscal year, Cooper and Rowan shall work with the Medical School Board and the Dean to eliminate the deficit.

6.12 Operation of Residency Programs. Cooper has operated a Residency Program (Graduate Medical Education) for the training of interns, residents, and clinical fellows (collectively, "Residents") and it is Cooper's intent to continue to do so. Cooper shall be responsible for establishing, supervising, and controlling the programs of education and training of the Residents. The Parties acknowledge and agree that all Residents will be employed by Cooper and as between the Parties, Cooper shall be entitled to any and all state and federal Graduate Medical Education reimbursement and funding for the Residency Program. Rowan, through the Dean, shall cooperate with and assist Cooper in good faith to maintain Cooper's accreditation of Cooper's Residency Program by the Accreditation Council on Graduate Medical Education ("ACGME") and other accrediting agencies, if any. Cooper shall bear all costs of Graduate Medical Education.

6.13 Third Party Funding. The Parties agree that each will seek outside (third party) funding that may include fundraising activities or contracts and/or grants. The program (annual, capital, alumni, etc.) for fund-raising for the Medical School shall be approved in advance by the Dean, and the Dean shall review the program on an annual basis, reporting the results of the review to the President of Rowan and the President and CEO of Cooper. Any funds received by either Party intended for the Medical School shall be administered by the Dean for the benefit of the Medical School in accordance with the provisions of the gift, contract or grant.

6.14 Research. The parties hereto agree to enter into a separate agreement with respect to certain Research and the conduct of the research by the Medical School's clinical faculty employed by Cooper. This agreement will address application for grants, funding issues, use of labs and other facilities, collaboration on research between basic science and clinical faculty members, and between non-medical school faculty of Rowan and Medical School clinical faculty members, research oversight, and use of Institutional Review Boards, and such other matters as the parties deem necessary and useful.

ARTICLE 7

Health of Medical Students

Rowan will assure that each medical student shall have provided evidence of private insurance coverage meeting the minimum thresholds required by Rowan policies or, alternatively, purchased coverage provided by Rowan.

Medical students shall have timely access to needed preventative, diagnostic and therapeutic medical and mental health services at sites in reasonable proximity to the location of their required educational experiences, which in the case of students receiving basic science and clinical education in Camden, shall

be at Cooper University Hospital. No individual providing these services will be involved in grading/evaluation of medical student performance or promotion. Students will be supplied with information about where and how to access health services at all locations where required training occurs. Behavioral health services will be provided by a board-certified psychiatrist(s) and/or a clinical psychologist(s) in a setting independent of the medical school environment. No such individual will be involved in grading/evaluation of medical student performance or promotion. All encounters will be kept in the strictest of patient confidentiality. Health insurance will be provided through Rowan to all students and their dependents, and all students will have access to disability insurance. Students with health insurance policies will be informed about coverage for necessary services. Students will be excused from class or clinical activities to seek medical care.

Students exposed to biologic hazards will be evaluated and treated in accordance with Cooper's policies and procedures for exposure to blood borne pathogens. The Office of Student Affairs will be notified of any such exposure. Follow up will be provided through Student Health Services.

Students will undergo training about the hazards associated with blood and other potentially infectious materials, the protective measures to be taken to minimize the risks of occupational exposure to these pathogens, and actions to be taken in an emergency following such exposures.

ARTICLE 8

Representations and Warranties of Cooper

Cooper makes the following representations and warranties to Rowan on and as of the effective date of this Agreement.

8.1 **Organization.** Cooper is a nonprofit organization duly organized and validly existing in good standing under the laws of the State of New Jersey and is an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), and is intended to qualify as exempt from federal income taxation under Section 501(a) of the Code.

8.2 **Corporate Powers, Consents, Absence of Conflicts.** Cooper has the requisite power and authority to enter into this Agreement and to perform its obligations. The execution, delivery and performance by Cooper of this Agreement are within its corporate powers and are not in contravention of the terms of its Articles of Incorporation and Bylaws, as amended to date, and have been approved by all requisite corporate action.

8.3 **Binding Agreement.** This Agreement and all instruments and agreements hereunder to which Cooper is or becomes a party are (or upon execution will be) valid and legally binding obligations of Cooper, enforceable against it in accordance with the respective terms hereof and thereof.

8.4 **No Conflict with Agreements or Laws.** Neither the execution and delivery of this Agreement nor the performance of the transactions contemplated herein by Cooper will (a) violate or constitute a default under any contract, lease, agreement, mortgage, deed of trust, license or other instrument, or any order, judgment or ruling of any governmental authority to which Cooper is a party or by which Cooper is bound, or (b) require any consent, approval, filing or notice under any provision of law, statute, rule or regulation applicable to Cooper.

ARTICLE 9

Covenants of Cooper

During the term of this Agreement, Cooper covenants and agrees as follows:

9.1 **Maintenance of Organization.** Cooper shall continue to be duly organized and validly existing in good standing under the laws of the State of New Jersey.

9.2 **Absence of Conflicts.** Cooper shall not permit or cause to occur or agree to any limitation or restriction on the conduct of its business or its obligations under or reasonably contemplated under this Agreement.

9.3 **Legal and Regulatory Compliance.** Cooper shall conduct its operations, including without limitation the performance of its obligations under this Agreement, in material compliance with all Legal Requirements, and shall timely file all material reports, data and other information required to be filed with Governmental Authorities. As used in this Agreement, "Governmental Authorities" shall mean all agencies, authorities, bodies, boards, commissions, courts, instrumentalities, legislatures and offices of any nature whatsoever of any federal, state, county, district, municipal, city, foreign or other government or quasi-government unit or political subdivision, and private arbitration panels or dispute resolution makers. "Legal Requirements" shall mean, with respect to any person or entity, all statutes, ordinances, bylaws, codes, rules, regulations, restrictions, orders, judgments, orders, writs, injunctions, decrees, determinations or awards of any Governmental Authority having jurisdiction over such person or entity or any assets or businesses of such person or entity.

9.4 **Permits and Licenses; Accreditation.** Cooper shall obtain and maintain in good standing and full force and effect all material licenses and permits required in the operations of Cooper. Cooper facilities shall be, at all times during the term of this Agreement, in compliance with all applicable accreditation requirements, and shall not permit any provisions in or agreements relating to any such accreditations (including applications therefore) which would preclude or limit Rowan from operating the Medical School as contemplated under this Agreement. Cooper shall take all steps reasonably necessary to correct all deficiencies noted in any report of any accreditation or licensing agency.

ARTICLE 10

Representations and Warranties of Rowan

Rowan makes the following representations and warranties to Cooper on and as of the effective date of this Agreement:

10.1 **Organization.** Rowan is duly organized and validly existing in good standing under the laws of the State of New Jersey, and is an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), and is intended to qualify as exempt from federal income taxation under Section 501(a) of the Code.

10.2 **Corporate Powers; Consents. Absence of Conflicts.** Rowan has the requisite power and authority to enter into this Agreement and to perform its obligations hereunder. The execution, delivery and performance by Rowan of this Agreement are within its corporate powers and are not in contravention of the terms of its statutory authority, and have been approved by all requisite Board of Trustees action. Rowan further represents that it currently offers several graduate and professional degree programs that will contribute to the academic environment of the Medical School.

10.3 Binding Agreement. This Agreement and all instruments and agreements hereunder to which Rowan is or becomes a party are (or upon execution will be) valid and legally binding obligations of Rowan, enforceable against Rowan in accordance with the respective terms hereof or thereof.

10.4 No Conflict with Agreements or Laws. Neither the execution and delivery of this Agreement nor the performance of the transactions contemplated herein by Rowan will (a) violate or constitute a default under any contract, lease, agreement, mortgage, deed of trust, license or other instrument, or any order, judgment or ruling of any governmental authority to which Rowan is a party or by which Rowan is bound, or (b) require any further consent, approval, filing or notice under any provision of law, statute, rule or regulation applicable to Rowan, except as may be set forth in the Agreement.

ARTICLE 11

Covenants of Rowan

During the term of this Agreement, Rowan covenants and agrees as follows:

11.1 Maintenance of Organization. Rowan shall continue to be duly organized and validly existing in good standing under the laws of the State of New Jersey.

11.2 Absence of Conflicts. Rowan shall not permit or cause to occur or agree to any limitation or restriction on the conduct of its business or its obligations under or reasonably contemplated under this Agreement.

11.3 Legal and Regulatory Compliance. Rowan shall conduct its operations, including without limitation the performance of its obligations under this Agreement, in material compliance with all Legal Requirements, and shall timely file all material reports, data and other information required to be filed with Governmental Authorities. Further, Rowan will undertake to make any changes necessary to its policies and procedures to accommodate the provisions of this Agreement.

11.4 Permits and Licenses; Accreditation. Rowan shall obtain and maintain in good standing and full force and effect all material licenses and permits required in the operations of Rowan. The Medical School shall be, at all times during the term of this Agreement, in compliance with all accreditation requirements, and shall not permit any provisions in or agreements relating to any such accreditations (including applications therefore) which would preclude or limit Cooper from operating the Residency Programs as contemplated under this Agreement. Rowan shall take all steps reasonably necessary to correct all deficiencies noted in any report of any accreditation or licensing agency.

ARTICLE 12

Term and Termination

12.1 Term. This Agreement shall become effective on the date first set forth above and shall continue until June 30, 2030. Upon the written and signed agreement of the Parties, this Agreement shall be renewed for separate and successive ten (10) year terms on the same terms and conditions as specified herein. In the event either party determines that it will not renew the Agreement, it shall provide written notice to that effect at least forty eight (48) months prior to the end of the then current term to allow graduation of any enrolled student. Should notice not be provided within the said notice period, the Agreement, together with any amendments made thereto, shall renew for an additional ten (10) year term without limitation.

12.2 Termination. Either Party may terminate this Agreement: (a) upon the mutual written and executed agreement of the Parties; (b) upon the material breach by the other party of any material provision of this Agreement provided (i) if such breach can be cured within sixty (60) days, such breach continues for sixty (60) days after receipt by the breaching party of written notice of such breach from the non-breaching party with a description of the alleged breach with sufficient information for the breaching party to attempt to cure such breach, or (ii) if such breach requires actions to be taken or conditions to be remedied which by their nature cannot reasonably be taken or remedied within such sixty (60) day period, the breaching party shall cease diligently and continuously attempting to cure such breach; (c) if (i) a petition for relief under the laws of the United States related to bankruptcy shall be filed by or against the other party and such action is not dismissed within sixty (60) days after filing, (ii) the assets of the other party are assumed by or taken under the control of any trustee or any other person pursuant to any judicial proceedings, or (iii) the other party becomes insolvent or makes a general assignment for the benefit of creditors; or (d) if the other party is debarred from participation in the Medicare or Medicaid program and such debarment continues without reinstatement for a period of One Hundred Eighty (180) days.

ARTICLE 13

Insurance; Indemnification

13.1 Insurance. Consistent with applicable law, each Party hereto shall maintain in full force and effect, at all times during the term hereof, liability, property, casualty and other types of insurance policies or other comparable insurance or self-insurance benefiting such Party, in coverage types and amounts reasonably necessary and appropriate for the operations of such Party and the activities of such Party contemplated under this Agreement. Each Party shall insure its own officers, employees, agents, volunteers and servants, and to this extent Rowan is a self-insured State entity. Rowan shall maintain liability insurance for its students, including clinical activity supervised by Cooper. Cooper will also provide liability coverage for its activities supervising student clinical activity, which liability insurance shall be maintained by Cooper. In addition, each Party shall maintain sufficient liquid reserves to meet all deductible, self-insurance and co-payment requirements of such policies. Each Party shall provide to the other, as requested from time to time, certificates and other evidences of coverage, indicating the types and amounts, and all limits, qualifications and conditions, of such coverage. Each Party shall promptly notify the other of any proposed change (and any actual change if no sooner notice is practicable under the circumstances) in the type, coverage or provider of any such insurance.

13.2 Risk Management.

13.2.1 The Parties recognize that during the term of this Agreement and thereafter, certain risk management issues, legal issues, claims or actions may arise which involve or could potentially involve the parties and their respective employees and agents. The Parties further recognize the importance of cooperating with each other in good faith when such issues, claims or actions arise, to the extent that such cooperation does not violate any applicable laws, cause the breach of any duties created by any policies of insurance, or otherwise compromise the confidentiality of communications or information regarding the issues, claims or actions to effect such cooperation including but not limited to:

(1) Each Party agrees to notify the other within ten (10) days of receipt of any lawsuits, claims, notices of intent to file a lawsuit (180 day letters), accrediting agencies, or investigations by the State or federal government and/or private payors or parties based in any manner upon services rendered pursuant to this Agreement;

(2) Each Party agrees to provide the other with reasonable access to and copies of all records including patient records and billing records, subject to applicable confidentiality laws, which impact in any manner upon any lawsuit or claim filed against the other Party based in any manner upon services

rendered or billed and/or claims made or investigations initiated pursuant to or contemplated by this Agreement.

13.2.2 Where the Parties are named as joint defendants in any claim or cause of action arising out of the activities contemplated by this Agreement, it is the intent of the Parties to cooperate and coordinate in the areas of risk management and control, claims investigation and litigation to the extent practicable and within appropriate considerations of and defense.

13.2.3 If the Parties are joint defendants in any claim or cause of action arising out of the activities contemplated by this Agreement and are held to be jointly liable for negligence or intentional acts, then each Party shall contribute to the amount paid for losses, damages, claims or fines (but not expenses, which shall be borne by the Party incurring such expenses) in such proportion as is appropriate to reflect the relative fault of each Party as determined by the court, governmental body, arbitrator(s) or other body adjudicating such claim or cause of action or the relative contribution between the Parties.

13.3 Indemnification. Cooper agrees to defend, indemnify and hold Rowan harmless from any and all liability, loss, damage, claim or expense, including costs and attorney's fees (or upon the option of Rowan, Cooper shall provide a defense to Rowan) arising solely due to the negligence or intentional acts (including but not limited to criminal conduct or fraud) of Cooper, its employees and agents (including Residents).

13.4 Workers Compensation and Disability Insurance. The Parties agree that they will provide workers compensation and disability benefits to cover their faculty, staff and other employees in accordance with the laws of the State of New Jersey.

ARTICLE 14

Restrictions on Academic Affiliation

In recognition of the nature of this affiliation as embodied in this Agreement: (a) Cooper agrees that, during the term of this Agreement, Cooper will not affiliate with any other educational institution other than Rowan for undergraduate medical education without the prior written consent of Rowan, and (b) Rowan agrees that, during the term of this Agreement, Cooper shall be the principal teaching hospital of Rowan, and Rowan will not establish a principal clinical teaching affiliation with any other hospital or health care facility without a recommendation from the Dean and the prior written consent of Cooper, provided the reason[s] set forth below are satisfied. Rowan, on behalf of the Medical School shall have the right to enter into affiliation agreements with other health care institutions or research facilities within the southern New Jersey area with the capability of providing quality clinical education for its students. The Dean shall recommend to the President of Rowan and the President and CEO of Cooper that specific affiliation agreements with institutions and/or research facilities other than Cooper be entered into for undergraduate medical students in situations where (a) Cooper agrees to the affiliation in the best interests of the educational program of the medical School; (b) Cooper cannot provide a specific clinical experience required under the Medical School curriculum or required by LCME; or (c) Cooper has insufficient ability or facilities to provide clinical experiences for students requiring that experience. The Presidents of Rowan and Cooper will meet with the Dean to discuss the issue of non-Cooper affiliation(s). The Presidents shall inform their respective Boards of Trustees, and the Rowan Board of Trustees shall approve any affiliation agreement after giving due and fair consideration of any recommendation provided to it by the Dean and Cooper Board of Trustees.

Specific affiliation agreements will meet LCME standards for such agreements. Specific affiliation agreements shall be in writing and shall contain a detailed description of the responsibilities of the affiliate and the Medical School, the responsibilities of students assigned to the affiliate by the Medical

School and financial considerations. The principal academic officer of the affiliate other than Cooper shall be administratively responsible to the Dean with respect to the educational program that is the subject of the affiliation.

Nothing in this Section is intended to prohibit or otherwise restrict either Party from continuing affiliation agreements that were historically maintained by the Parties and were in effect in any time prior to the effective date of this Agreement. Each Party shall as soon as practicable following execution of this Agreement, provide to the other Party copies of all such agreements to which it is a party.

ARTICLE 15

Miscellaneous Provisions

15.1. **Approval.** By execution of this Affiliation Agreement, the President of Rowan and the CEO of Cooper represent that any and all of the respective governing boards of Rowan and Cooper have approved this Agreement.

15.2 **Dispute Resolution.** Except as otherwise specifically provided in this Agreement, in the event that any material controversy or dispute arises between Rowan and Cooper with respect to the enforcement or interpretation of this Agreement, or any specific terms and provisions set forth in this Agreement, Rowan and Cooper shall use their best efforts and due diligence to reach an agreement for the resolution of such controversy or dispute. If the Parties fail to resolve the dispute within 30 days, all such controversy or disputes shall be submitted to the President of Rowan, the President and CEO of Cooper, and the Dean of the Medical School. In the event the President of Rowan, the President and CEO of Cooper, and the Dean of the Medical School are unable to resolve such controversy or dispute within sixty (60) days, such controversy or dispute shall be submitted within thirty (30) days to a disinterested third party mediator chosen by Rowan and Cooper for nonbinding mediation prior to either Rowan or Cooper instituting any formal legal action at law. However, the foregoing provisions of this Section shall not be interpreted to restrict either Rowan or Cooper from pursuing equitable relief from a court of competent jurisdiction at any time or terminating this Agreement in accordance with provisions of this Agreement.

15.3 **Governing Law; Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of New Jersey without regard to its conflicts of laws rules. All actions brought in connection with this Agreement shall be exclusively brought and venued in the Superior Court of New Jersey, Camden County. This Agreement is specifically subject to the New Jersey Tort Claims Act (N.J.S.A. 59:1-1 *et seq.*) and New jersey Contractual Liability Act (N.J.S.A. 59:13-1 *et seq.*).

15.4 **Insertion of Provisions Required by Law.** It is the intent and understanding of the Parties that each and every provision of law required to be inserted in any agreement executed by an agency of the State of New Jersey or any institution in the State of New Jersey shall be and is deemed inserted herein. As of the date of the execution of this Agreement, neither Party believes that there are any such provisions that must be inserted; and that in the future should any Party become aware of such a provision, the Party with that information shall notify the other Party and to the extent that the Parties are not in agreement on the inclusion of the provision, the Parties shall confer to resolve their dispute and the Agreement shall thereafter be amended to reflect the Parties' resolution.

15.5 **Assignment.** This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective legal representatives, successors and assigns. No party may assign this Agreement without the prior written consent of the other party, provided however that either Party shall be permitted to assign this Agreement to any Affiliate thereof. The term "assign" or "assignment" shall be deemed to include a merger in which a party hereto is not the surviving entity, a sale of all or substantially all of the assets of a party or a change of control resulting from a purchase of shares or

similar transaction. "Affiliate" in this context shall mean any person or entity that, directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with another person or entity and includes the power to direct or cause the direction of the management and policies of a person or entity, whether through the ownership of securities, election or appointment of directors, by contract or otherwise.

15.6 No Third Party Beneficiary. The terms and provisions of this Agreement are intended solely for the benefit of the parties and their respective successors and permitted assigns, and are not intended to confer third-party beneficiary rights upon any other person or entity.

15.7 Notices. Any notice, demand or communication required, permitted or desired to be given hereunder shall be deemed effectively given if given in writing (i) on the date tendered by personal delivery, (ii) on the date received by facsimile or other electronic means (including telegraph and telex), (iii) on the date tendered for delivery by nationally recognized overnight courier, or (iv) on the date tendered for delivery by United States mail, with postage prepaid thereon, certified or registered mail, return receipt requested, in any event addressed as follows:

If to: The Cooper Health System

Attn: John P. Sheridan
President and CEO
The Cooper Health System
One Cooper Plaza
Camden, NJ 08103

With copy to:
General Counsel
The Cooper Health System
Three Cooper Plaza, Suite 316
Camden, New Jersey 08103

If to: Rowan University

Attn: Donald Farish, President
Rowan University
201 Mullica Hill Road
Glassboro, New Jersey 08028

With copy to:
General Counsel
Rowan University
201 Mullica Hill Road
Glassboro, NJ 08028

or to such other address or number, and to the attention of such other person, as either Party may designate at any time in writing in conformity with this Section.

15.8 No Solicitation; No Hire. Except as provided elsewhere in this Agreement or as otherwise agreed by and between the Parties, Rowan and Cooper agree they will not solicit nor will they employ, contract or in any manner utilize the services of any employees or agents of another Party to this Agreement, without the express written permission of the employer during the term of this Agreement, and for a period of one year from the termination of this Agreement for any reason. The Parties acknowledge that any breach of the provisions of this Section would cause irreparable harm which cannot be compensated by money damages, and agrees that the aggrieved Party shall be entitled to injunctive relief, without bond, to prevent or restrain any breach of this provision.

15.9 Right to Audit. Cooper and Rowan, or any of their designated agents, have the right to inspect, audit and copy any financial books and records of the other party or the Medical School relating to payments or reimbursements related to Annual Funding or Affiliate Support that are the subject of this Agreement, during regular business hours, provided that the requesting party provide the other party with at least seven (7) days written notice. Subject to and in accordance with the Omnibus Budget Reconciliation Act of 1980, as amended, the Parties shall, until four (4) years after the termination of this Agreement, upon written request, make available to the Secretary of Health and Human Services, or the Secretary's duly authorized representatives, this Agreement and such books, documents and records as are necessary to certify the nature and extent of costs under this Agreement. This section shall survive the termination of this Agreement.

15.10 Health Care Liability. Cooper will be solely responsible for any and all health care provided to patients admitted to Cooper University Hospital or any of its branches or affiliates.

15.11 Legislation. The Parties agree to jointly propose or support legislation that may be required to support the interests of the Medical School and the affiliation between the Parties.

15.12 Amendments. This Agreement may be amended or modified only by the written signed agreement of the Parties.

15.13 Severability. If any portion of this Agreement is declared invalid by any court of competent jurisdiction, the Agreement shall continue in full force as to the remainder, unless the invalidation would affect the basis of the parties' bargain; in such event, either Party shall be entitled to terminate this Agreement as if for cause.

15.14 Counterparts. This Agreement may be executed in any number of identical counterparts, each of which for all purposes shall be deemed an original, and all of which constitute, collectively, one agreement.

15.15 Waivers. The waiver of a breach of any of the terms of this Agreement shall not be deemed a waiver of any subsequent breach of the same or similar nature and shall not in any way affect the terms hereof. No waiver shall be valid or binding unless in writing and signed by the parties.

15.16 Compliance. The Parties believe this Agreement avoids any element of inappropriate reimbursement for services as currently provided under federal or state law. Nothing in this Agreement shall be construed as a promise or obligation on the part of either Party to refer any patient to the other Party.

15.17 Confidentiality. To the extent permitted by law, including but not limited to the New Jersey Open Public Records Act (OPRA), each Party hereto shall, and shall cause its respective representatives, agents and employees to hold in confidence the nature of this Agreement and any information or data concerning the other Party that has been shared in contemplation of completing the proposed transaction.

15.18 HIPAA. The Parties agree to fully comply with the Health Insurance Portability and Accountability Act of 1996 (as amended by ARRA) and its associated regulations and, more specifically, in 45 C.F.R. §§ 160 and 164, *Standards for Privacy of Individually Identifiable Health Information, Final Rule* (the "Final Privacy Rule"), and in 45 C.F.R. §§ 160, 162 and 164, *Health Insurance Reform: Security Standards, Final Rule* (the "Final Security Rule") collectively referred to as ("HIPAA"), as they may be applicable.

15.19 Entire Agreement. This Agreement constitutes the entire agreement between Cooper, and Rowan with respect to the subject matter of this contained in this Agreement, and supersedes all prior discussions, negotiations, and any preliminary, oral, or written agreements, including all prior agreements with respect to the subject matter contained in this Amendment.

15.20 Interpretation. No provision of this Agreement shall be interpreted for or against any Party on the basis that such Party or its counsel was the drafter of such provision, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provision of this Agreement.

15.21 Performance by Cooper Professional Corporations. The Parties acknowledge and agree that certain obligations of Cooper hereunder may be performed by one or more of the Cooper professional corporations and Cooper shall cause the Cooper PCs, where applicable, to satisfy such obligations.

IN WITNESS WHEREOF, the Parties have executed this Agreement effective as of the date first written above.

THE COOPER HEALTH SYSTEM

BY /s/ John P. Sheridan, Jr.
John P. Sheridan, Jr. Date 9/21/10
President and Chief Executive Officer

THIS AGREEMENT WAS APPROVED BY RESOLUTION
OF THE COOPER HEALTH SYSTEM BOARD OF TRUSTEES ON SEPTEMBER 16, 2010.

/s/ Mary Gamon

Mary Gamon
Secretary of the Board of Trustees

ROWAN UNIVERSITY
BY:

/s/ Donald Farish

Donald Farish, President Date 9/21/10

THIS AGREEMENT WAS APPROVED BY RESOLUTION
OF THE ROWAN UNIVERSITY BOARD OF TRUSTEES ON SEPTEMBER 15, 2010.

/s/ Barbara Armand

Barbara Armand
Secretary of the Board of Trustees

**ATTACHMENT TO BUSINESS AFFILIATION
AGREEMENT BY AND BETWEEN ROWAN UNIVERSITY
AND COOPER HEALTH SYSTEMS**

REORGANIZATION PLAN NO. 002-2009

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

REORGANIZATION PLAN NO. 002 - 2009

IN THE INTEREST OF EXPEDITIOUSLY ESTABLISHING A NEW FOUR-YEAR ALLOPATHIC MEDICAL SCHOOL IN SOUTHERN NEW JERSEY, A PLAN FOR THE TRANSFER OF CERTAIN SPECIFIED FUNCTIONS, POWERS AND DUTIES OF THE UNIVERSITY OF MEDICINE AND DENTISTRY OF NEW JERSEY IN THE CITY OF CAMDEN TO ROWAN UNIVERSITY

PLEASE TAKE NOTICE that on June 25, 2009, Governor Jon S. Corzine hereby issues this Reorganization Plan No. 002-2009 (the Plan) transferring certain specified functions, powers and duties of the University of Medicine and Dentistry of New Jersey as are necessary to establish, operate and maintain a four-year allopathic medical school in Camden, New Jersey to Rowan University.

GENERAL STATEMENT OF PURPOSE

The University of Medicine and Dentistry of New Jersey (UMDNJ) is a body corporate and politic that operates programs of medical, dental, nursing, public health and health related professions and health sciences education in the State of New Jersey, operating pursuant to the authority granted to it by the Medical and Dental Education Act of 1970 (P.L.1970, c.102, as amended, (C.18A:64G-1 et seq.)) and the University of Medicine and Dentistry of New Jersey Flexibility Act of 1992 (P.L.1992, c.84, as amended (C.18A:64G-3.8 et seq.)). UMDNJ was established to serve the interests of the State by establishing programs of medical, dental, nursing, public health, health sciences and health related professions. It was charged with providing a greater number of trained medical personnel to assist in staffing hospitals and public institutions and agencies and to prepare a greater number of students for the general practice of health related professions in New Jersey. The goal was to create a premiere academic health center to

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provide a full range of state-of-the-art patient care services to the people of this State. To that end UMDNJ was provided authority to form relationships with health care organizations, research institutions and private individuals, firms and corporations. Such public-private relationships would supplement the resources available from the State, thereby providing an economic and efficient means for developing and offering a full range of health care services. N.J.S.A. 18A:64G-2.

Currently, UMDNJ operates two allopathic medical schools in the State of New Jersey: one located in Newark (New Jersey Medical School) and the other located in New Brunswick/Piscataway with certain activities also located in Camden (Robert Wood Johnson Medical School (RWJMS)). There are no other four-year allopathic medical schools located in the State. In addition, UMDNJ operates an osteopathic medical school at Stratford, New Jersey. UMDNJ currently has eight schools located on campuses in Stratford, Camden, Newark, New Brunswick/Piscataway, and Scotch Plains.

UMDNJ is the largest freestanding public health sciences university in the nation. UMDNJ offers 41 graduate degrees or certificates and 21 undergraduate degrees or certificates in 43 fields of study. It offers 26 dual degree programs with a variety of institutional partners and offers eight online programs. Total student enrollment at UMDNJ is approximately 5,700. External grant funding from the National Institutes of Health (NIH) and other sources exceeds \$317 million.

Rowan University (Rowan) is a State University located in Glassboro, New Jersey, with a campus in Camden, New Jersey, operating pursuant to the authority granted to State colleges by

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P.L.1967, c.271 (C.18A:64-1 et seq., and P.L.1994, c.48, as amended, (C.18A:3B-1 et seq.). Rowan, a major regional higher education institution with seven academic colleges: Business, Communication, Education, Engineering, Fine & Performing Arts, Liberal Arts & Sciences, and the College of Professional and Continuing Education and a Graduate School. Rowan's nearly 10,000 students may pursue degrees in 36 undergraduate majors, seven teacher certification programs, 26 master's degree programs and a doctorate in educational leadership. Rowan, located only 20 miles from Cooper University Hospital and with an existing Camden campus, has a reputation as a top regional university and is home to a newly-constructed, state-of-the-art science building that provides training in science and technology and already is capable of serving the needs of first and second-year medical students in basic sciences. Rowan has the desire and means to continue its present expansion into the provision of allopathic medical education and training. In doing so, it expects that it will coordinate these activities with UMDNJ.

There is a shortage of trained physicians in the workforce both nationally and within the State of New Jersey. It has been long-recognized that the State and the nation suffer from a growing shortage of trained medical professionals, including doctors. It is in the public interest that an additional medical school be opened in the State of New Jersey. Although New Jersey ranks ninth among the 50 states in physicians per 100,000 residents, it is first nationally in the percentage of active physicians who are graduates of international medical schools and third nationally in the percentage of active physicians who are 60 years of age or older. The State,

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overall, and South Jersey, in particular, would benefit from the opening of a four-year allopathic medical school in South Jersey. As the State's designated health sciences university, UMDNJ normally would be the parent institution of a new medical school. However, the State's goal to create this school in an expedited manner is inconsistent with UMDNJ's current financial status which does not allow it to issue bonded debt sufficient for the facilities necessary to launch a new school at this time.

Rowan University, working with medical providers such as Cooper University Hospital in Camden, an affiliate of UMDNJ, provides the best opportunity financially for the State to achieve the goal of creating a four-year allopathic medical school that can be accredited by the Liaison Committee of Medical Education ("LCME") and other accrediting bodies, if any, within the State's expedited time frame. This Plan will further the goal of providing more medical students and doctors located within the southern portion of the State of New Jersey and will help address the pending lack of physicians caused by a higher than average retirement rate by current New Jersey physicians. The transfer provided in this Plan provides a means for addressing the problem of the increasing shortfall of physicians in southern New Jersey.

Therefore it is in the public interest that a new four-year allopathic medical school be opened in the southern region of the State. Medical facilities generally are economic anchors for cities. For example, Cooper University Hospital is the largest employer in both the City of Camden and in Camden County. Thus, the opening of a new four-year allopathic medical school in Camden will further support the economy of the

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southern region of the State and will stimulate the City of Camden's economy by providing access to additional job opportunities for residents of South Jersey.

The expansion of the current two-year program to an accredited four-year allopathic medical school in Camden will allow greater opportunity for South Jersey residents to seek advanced medical care within the State rather than to seek such services in neighboring states. It is estimated that approximately 30,000 residents in South Jersey are treated annually by Pennsylvania hospitals, thereby diverting some \$2 billion in health care services per year from South Jersey to Pennsylvania. The creation of the four-year allopathic medical school in Camden will positively impact the economy of South Jersey, and assist in the revitalization of the City of Camden.

This Reorganization Plan will provide Rowan with certain additional powers to operate a four-year allopathic medical school in Camden as provided by the Medical and Dental Education Act of 1970 and The University of Medicine and Dentistry of New Jersey Flexibility Act of 1992, in addition to the powers it enjoys pursuant to the provisions of N.J.S.A. 18A:64-1 et seq. under which it is organized. By entering into appropriate affiliation agreements, Rowan will be able to operate a four-year allopathic medical school in an expedited manner. Such affiliation agreements will enable Rowan to begin to accept students for its four-year allopathic medical school for its first incoming class for the 2012-2013 academic year, or sooner if practicable and accredited. This Reorganization Plan also provides that UMDNJ shall transfer certain assets to Rowan for its new medical school, as set forth herein.

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NOW THEREFORE, pursuant to the provisions of the Executive Reorganization Act of 1969, P.L.1969, c.203 (C.52:14C-1, et seq.), I find with respect to the transfer, reorganization and consolidation provided for in this Plan that it is necessary to accomplish the purposes set forth in Section 2 of the Act and will:

1. Promote the better execution of the law, the more effective management of the Executive Branch and its agencies and functions and the expeditious administration of the public business;
2. Promote economy to the fullest extent consistent with the efficient operation of the Executive Branch;
3. Increase the efficiency of the operations of the Executive Branch to the fullest extent practicable;
4. Group, coordinate and consolidate agencies and functions of the Executive Branch, as nearly as may be practical, according to major purposes; and
5. Eliminate overlapping and duplication of effort within the Executive Branch by reallocation of certain functions and responsibilities and thereby better utilizing the resources of the Executive Branch.

PROVISIONS OF THE REORGANIZATION PLAN

THEREFORE, I hereby order the following reorganization:

1. The functions, powers and duties of UMDNJ under section 6 of P.L.1970, c.102, as amended (C.18A:64G-6) and P.L.1992, c.84, as amended (C.18A:64G-3.8 et seq.), related, directly or indirectly, to the establishment, maintenance or operation of a four-year allopathic medical school in the City of Camden, including but not limited to the power to confer medical degrees to those students who successfully complete the

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medical programs offered by Rowan as provided in Section 7 of P.L.1992, c. 84 (C. 18A:64G-3.9), as amended, are transferred and assigned to the Governing Board of Rowan.

2. The following appropriations and property for RWJMS-Camden that are available to UMDNJ for use in connection with its operations related to the administration of its regional clinical third and fourth year medical school related programs at RWJMS - Camden (N.J.S.A. 18A:64G-3.3a and -3.3b), including but not limited to the following, are to be transferred to the Governing Board of Rowan:

a. Upon the effective date of this Plan:

- i. The rights to a sum of \$9 million allocation available to UMDNJ through the New Jersey Economic Development Authority ("NJEDA") pursuant to the Higher Education and Regional Health Care Development Fund, P.L.2002, c.43 (C.52:27BBB-51, -52.a(3)), for which a grant has not been approved and/or awarded;
- ii. The amount provided and received in the FY2010 Appropriations Act for debt service for the RWJMS-Camden Medical School Building and all available unexpended balances of appropriations of all prior fiscal years for such purposes; for all budget years subsequent to FY2010 such funds in the amount of \$7.8 million will be allocated to Rowan;
- iii. All rights, title, interests and obligations of UMDNJ related to real

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property located within Block 190 on the Tax Map of the City of Camden and all buildings and structures located thereon, and provided in the September 20, 2006 Development Agreement ("Development Agreement") between the City of Camden, The University of Medicine and Dentistry of New Jersey and The Cooper University Health System ("Development Rights"); UMDNJ shall cease to have any further rights, interests or obligations under the Development Agreement.

- iv. All rights, title or interests that UMDNJ may have already secured as a result of the operation of the Development Agreement, including but not limited to rights, title or interests in any fixed tangible assets; real property, and all buildings and structures located thereon ("Existing Development Rights") (Rowan shall reimburse UMDNJ for its expenses incurred in the process of acquiring the property for those rights and interests). All architectural plans, drawings, studies and renderings related to the newly planned Education and Research Building; and any survey or environmental reports related to Block 190 in Camden shall be transferred to Rowan University.

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- v. UMDNJ and Rowan shall cause to be prepared and filed all necessary documents in order to effectuate the foregoing transfer and assignment of all Development Rights and the transfer of all Existing Development Rights forthwith.
- vi. All grants, appropriations, budgeted amounts and any other funding of any type whatsoever from any source whatsoever which has been designated for use in connection with the subject matter of the Development Agreement or which has been designated for use in connection with the establishment, construction and operation of a four-year allopathic medical school in Camden.
- vii. For FY2010, grant funds in the amount of \$10.6 million for affiliate hospital (Cooper University Hospital) support including program and capital support that benefits patients from Camden and the region will be allocated to UMDNJ for distribution upon receipt according to the terms of the FY2010 Appropriations Act after review and implementation by the Department of Health and Senior Services. For all budget years subsequent to FY2010, such funds in the amount of \$10.6 million will be allocated to Rowan for purposes consistent with the grant referred to

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above. The unexpended balance of grant funds for FY2009 will be paid in accordance with the terms of the grant.

b. Upon the completion of the phase-out of UMDNJ operations at RWJMS-Camden and thereafter:

- i. Of the amounts appropriated for UMDNJ, all monies related to support RWJMS-Camden; including all monies for the purposes of faculty support and affiliate hospital (Cooper University Hospital) support in the amount of \$5.69 million; all amounts for campus administration expenses in the amount of \$3.25 million and for security expenses in the amount of \$500,000.
- ii. All of UMDNJ's right, title, and interest in all: (i) fixed tangible assets; (ii) real property, and all buildings and structures not otherwise provided for in this Plan; and (iii) all furniture, fixtures, equipment and personal property contained therein to the extent it is legally permissible for UMDNJ to do so (e.g. NIH grant purchased equipment); which are located in the City of Camden associated with third and fourth year clinical medical program of RWJMS-Camden; and which are in any way designated for direct use by RWJMS-Camden. This transfer for consideration at fair market value includes, but is not limited to, the

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real property located at Block 1433, Lot 1 on the Tax Map of the City of Camden, more commonly known as 401 Haddon Avenue, Camden, New Jersey, also known as "the Education and Research Building." On or about March 1, 2013, or earlier by mutual agreement of UMDNJ and Rowan, each will exchange an MAI real estate appraisal performed on the property. If good faith efforts do not result in an agreed sales price within thirty days of the exchange of the appraisals, the State Treasurer shall establish the price. Unless an earlier date is agreed to the sale will occur on or about September 1, 2013.

3. Rowan University shall not be responsible for any actions or claims, civil or criminal, brought by or against UMDNJ if those actions or claims involve activities of RWJMS-Camden prior to the effective date of the Plan. UMDNJ shall continue to be responsible for all such actions and claims. UMDNJ shall not be responsible for any actions or claims, civil or criminal, brought by or against Rowan University if those actions or claims involve activities of those parties following the complete phase-out. Rowan University shall be responsible for all such actions and claims.

4. In addition to those powers transferred to the Governing Board of Rowan University pursuant to Section 1 of the Plan, the Governing Board shall be authorized to exercise those other powers granted to the Board of Trustees of UMDNJ to the extent necessary to establish, maintain and operate a four-year

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allopathic medical school in the City of Camden pursuant to any other applicable provision of P.L.1970, c.102, as amended (C.18A:64G-1 et seq.), which powers are necessary or desirable for Rowan to establish, maintain and operate a four-year allopathic medical school in Camden.

5. The functions, powers and duties of UMDNJ to participate as the general partner or as a limited partner, either directly or through a subsidiary corporation created by the university, in limited partnerships, general partnerships, or joint ventures engaged in the development, manufacture or marketing of products, technology, scientific information or health care services and create or form for-profit or not-for-profit corporations to engage in such activities as provided in Section 6(v)(1) of P.L.1970, c.102, as amended (C.18:64G-6(v)(1)), are continued and, as regards the establishment, operation, and maintenance of a four-year allopathic medical school in the City of Camden, are transferred to the Governing Board of Rowan.

6. The functions, powers and duties of UMDNJ under Section 16 of P.L.1970, c.102, as amended (C.18A:64G-16), to acquire sites for its medical school operations, incur debt for such acquisitions, issue bonds related to such acquisitions and enter into agreements with municipalities in which such sites are located are continued and, as regards the establishment, operation and maintenance of a four-year allopathic medical school in the City of Camden, are transferred to the Governing Board of Rowan.

7. Steps shall be taken immediately by UMDNJ and Rowan to implement this Plan so as to permit Rowan to commence the operations of its four-year allopathic medical school in Camden

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for its first incoming class for the 2012-2013 academic year, or sooner if practicable. UMDNJ will continue to provide for the clinical training of students of RWJMS in Camden until the complete phase-out of the third and fourth year clinical training program.

8. The transfer of functions and powers to Rowan University shall not operate to diminish or abrogate any authority or responsibilities of UMDNJ related to RWJMS-Camden not otherwise specified under this Plan. This Plan shall not otherwise operate to adversely affect any of the schools or programs of UMDNJ.

9. All acts and parts of acts inconsistent with any of the provisions of this Plan are superseded to the extent of such inconsistencies.

10. Unless otherwise specified in this Plan, all transfers directed by this Plan shall be affected pursuant to the "State Agency Transfer Act," P.L.1971, c.375 (C.52:14D-1 et seq.).

11. If any provisions of the Plan or the application thereof to any person or circumstance or the exercise of any power or authority hereunder are held invalid or contrary to the law, such holding or finding shall not impact or affect other provisions or applications of the Plan, which can be given effect without the invalid provisions or applications of the Plan, or affect other exercises of power or authority under said provisions not contrary to the law. To this end, the provisions of this Plan are severable.

12. This Plan recognizes that all future appropriations are subject to legislative approval.

13. This Plan is intended to protect and promote the public health, safety and welfare and shall therefore be

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liberally construed to obtain the objectives and effect of the purposes thereof.

14. UMDNJ and Rowan shall simultaneously execute a Memorandum of Understanding attached in the form herewith unless subsequently modified by mutual agreement of the parties thereto.

A copy of this Reorganization Plan was filed on June 25, 2009 with the Secretary of State and the Office of Administrative Law for publication in the New Jersey Register. This Plan shall become effective in 60 days, on August 24, 2009, unless disapproved by each House of the Legislature by the passage of a Concurrent Resolution stating in substance that the Legislature does not favor this Plan, or at a date later than August 24, 2009, should the Governor establish such a later date for the effective date of the Plan, or any part thereof, by Executive Order.

PLEASE TAKE NOTICE that this Plan, if not disapproved, has the force and effect of law and will be printed and published in the annual edition of the Public Laws and in the New Jersey Register under the heading of "Reorganization Plans."

MEMORANDUM OF UNDERSTANDING BETWEEN THE UNIVERSITY OF
MEDICINE AND DENTISTRY OF NEW JERSEY, ROWAN UNIVERSITY, AND
COOPER UNIVERSITY HOSPITAL

The training of health professionals for the State of New Jersey is a vitally important function to insure the availability of an appropriate number of health care providers to care for the residents of the State. Southern New Jersey, the most rapidly growing region of the state, is already experiencing a relative shortage of health care professionals at this time. Furthermore, the residents of the City of Camden have particular needs for access to care in light of the disproportionate number of economically disadvantaged, un- and underinsured people living there.

The development of a new four year allopathic medical school by Rowan University in Camden will also serve to provide an economic stimulus to the city in addition to adding to the number of health care providers practicing in southern New Jersey. This new medical school will be an addition to the numerous health professions training programs run by the University of Medicine and Dentistry of New Jersey (UMDNJ) that currently exist in southern New Jersey. The purpose of this memorandum of understanding is to insure the success of all health professions training programs in southern New Jersey and Camden County, specifically. The goal is also to insure a seamless phase out of the third and fourth year regional campus of the UMDNJ Robert Wood Johnson Medical School - Camden. The development of the new medical school and the phase out of the regional clinical campus must be implemented in ways that protect the integrity of the currently existing educational program in order to avoid any adverse actions by the Liaison Committee on Medical Education or the Middle States Commission on Higher Education. Clearly, the residents of New Jersey will be best served through appropriate communication and collaboration between the two universities.

This Memorandum of Understanding will serve to insure the following:

1. The regional clinical campus of the UMDNJ - Robert Wood Johnson Medical School - Camden (RWJMS-C), including all of its students, faculty, administration and staff currently employed or enrolled by UMDNJ will remain the sole responsibility of UMDNJ. RWJMS-C will continue to operate under the sole authority of the Dean of the UMDNJ - Robert Wood Johnson Medical School and/or his designee.
2. Cooper personnel will maintain their cotenured faculty appointments at UMDNJ RWJMS-C until the phase out is complete. This does not preclude faculty from holding appointments at Rowan University as well. At the completion of the phase out, it is anticipated that these faculty appointments will end.
3. The State of New Jersey will provide an appropriate level of funding to support the maintenance of administrative oversight, teaching and curricular integration by RWJMS at its Camden regional campus, subject to state appropriation.

4. The RWJMS-C regional campus will strive to cease operation by September 1, 2013 and will definitely cease operation by January 1, 2014 if the initial date is not met. During the intervening years, students may be gradually shifted from Cooper University Hospital to other clinical training sites as they become available.
5. Rowan University will not have a role in the oversight, education, or training of any students enrolled in any UMDNJ programs based in Camden.
6. UMDNJ will continue to oversee and operate the Education and Research Building located at 401 Haddon Avenue in Camden, New Jersey until the RWJMS-C clinical program is completely phased out. UMDNJ will maintain the oversight for the animal and other research facilities located in that building until the phase out is completed.
7. Rowan University, Cooper University Hospital and UMDNJ agree to abstain from actively pursuing the employment of each other's faculty and staff to the extent permitted by law.
8. Upon the matriculation of the first medical school class, Rowan University and UMDNJ will agree to consult with each other before adding any new clinical sites in Camden County.
9. Rowan University will not seek to develop any clinical affiliations with hospitals or other clinical settings that currently have UMDNJ affiliations without the written consent of UMDNJ, which shall not be unreasonably withheld. As the major clinical affiliate of Rowan University, Cooper University Hospital and all of its solely owned clinical sites, is exempted from this requirement.
10. Rowan University and UMDNJ agree to work to facilitate the sharing of clinical sites in southern New Jersey for the training of health professions students where such sharing will not diminish educational quality. As the major training sites for the UMDNJ School of Osteopathic Medicine, the Kennedy Health System and Our Lady of Lourdes Hospital are exempted from this requirement.
11. All research, inventions, technologies and intellectual properties developed by full time UMDNJ paid faculty will remain the sole property of UMDNJ.
12. Laboratory equipment, reagents, and other miscellaneous items purchased by full time UMDNJ paid faculty through contracts and grants to UMDNJ will remain the sole property of UMDNJ.
13. Where appropriate, UMDNJ and Rowan University may work to develop inter-professional learning opportunities for health professions students attending UMDNJ schools and the Rowan University Medical School.

14. UMDNJ and Rowan University will not knowingly engage in any activities that might result in an adverse action against either institution by the Liaison Committee on Medical Education (LCME) or the Middle States Commission on Higher Education (MSCHE).
15. Recognizing that the Governing Boards of both institutions are responsible for setting tuition rates, it is anticipated that the tuition rates for in-state and out-state students at the new four year allopathic school in Camden will be in line with the tuition rates charged at the medical schools operated by UMDNJ.
16. No faculty, staff, or other UMDNJ personnel will be transferred to Rowan University as part of this agreement.

In witness whereof:

William F. Owens, Jr.
UMDNJ

6/25/09
Date

[Signature]
Rowan University

6/25/09
Date

[Signature]
Cooper University Hospital (as to sections 2, 7, and 10 only)

6/25/09
Date